

Development (195¹/₄₈) Department.

SERIES.

G.O. No. 1599-1600

Dated 31. 3. 48

[Despatch Abstract.]

AGRICULTURE - HOW MORE FOOD - Five Year Plan Scheme No. 2 (Part)
Land Development by mechanized cultivation - purchase of 100 oil
engines - Sanctioned.

DEVELOPMENT DEPARTMENT

Note for the Standing Finance Committee.

Agriculture - Grow More Food-Five Plan - Scheme for the purchase of 100 oil engines a for sale or hire to ryots.

Summary of cost.

Major head of account.	Minor and sub head of account.	Ultimate cost.		Cost in year of introduction.	
		Recur-ring.	Non-Re-curring.	Recur-ring.	Non-Recur-ring.
40. Agri-culture.	Agricultu- ral Engin- erring 4 Contingen- cies-pumps.	55,400	4,73,000	27,700	4,73,000

In connection with the Grow More Food Campaign the Agricultural Department are giving on hire petrol driven pumpsets and Oil engines available with the Agricultural Department to agriculturists for irrigation in order to encourage increased production of food. There has been a growing demand for oil engines for the various districts in the Province and it has been found difficult to meet the demand with the inadequate no. of 12 pumpsets at present available with the Agricultural Department. Under scheme No. 2 in the Five Year Plan for Food Production, 62,500 wells for irrigation purposes, are fixed as the target for 5 years and it is proposed to purchase 300 oil engines in the course of the first three years of the Five year plan. The scheme contemplates, among other things, the purchase of 100 re-engines in the current year at a cost of Rs. 4,00,000/-. The Director of Agriculture states that the demand for oil engines is keenly felt by the ryots and that ryots after some time of hiring the engines wish to purchase outright, thus depleting the stocks of the Department for hire purposes. The Director of Agriculture has now submitted proposals for the purchase of

(i) one batch of 50 oil engines at an estimated cost of Rs. 2,33,000/-; and

(ii) another batch of 50 engines at an estimated cost of Rs. 2,40,000/

The Director of Agriculture proposes to hire the oil engines to agriculturists in the first instance and sell them to ryots at actual cost less hire charges collected up to date at the time of selling. The H.M. (Agriculture) has not agreed to deduct the hire charge collected upto date at the time of selling since it will mean that if a ryot keeps the engine for such time as the hire charges will be equal to the cost of the engine, he will have got it free of cost thereafter.

The capital cost for the purchase of 100 oil engines
Rs. 4,73,000.

The Director of Agriculture has estimated the recurring expenditure in connection with the working of the 100 oil engines at Rs. 89,738/- during 1947-1948, as shown below:-

Recurring expre. during 1947-1948

Establishment charges oils
employment of drivers for
the oil engines.

Recurring expenditure during 1947-1948.

Depreciation and interest on capital outlay.	44,125
Subsidy on account of the concerned hire rates at Rs. 3 per day.	17,913

Total.	Rs.89,738

Against this expenditure it is proposed to claim help as subsidy of from the Government of India.

This Department and the finance department have accepted the proposals of the Director of Agriculture Finance have however suggested that as the cost involved is large, "New Service" procedure may be adopted in this case.

H.M. (Agriculture) and H.M. (Finance) were of the view that in view of the urgency, the scheme might be sanctioned without being placed before the Standing Finance Committee and the Cabinet. But, the Hon'ble Premier is not in favour of this course. His minutes are extracted below:-

Let it go to the S.F.C. and the Cabinet for purchases call for tenders."

O.P.R.
1.11.47

The proposal to purchase 100 oil engines at an estimated cost of Rs. 4,73,000/- and to incur the establishment charge Rs. 27,700/- during 1947-1948 is placed before the Standing Finance Committee for its recommendation.

Since the Hon'ble Premier has recorded in above, the Director of Agriculture has now reported that with the failure of monsoon so far, ryots from the districts of Chingleput, North Arcot, Chittoor and South Arcot have begun to face serious difficulties in finding engines and pumps on hire, for baling water needed for irrigation of crops suffering from want of water. He has stated that several poor ryots have been pressing for the immediate supply on a hire basis of small engines and pumps. The Director has therefore asked for sanction to purchase urgently the first batch of 50 oil engine pumping sets required for hiring to agriculturists. In view of this commendation of the Standing Finance Committee for dispensing with reference to the Cabinet, is sought for. The final orders of the Hon'ble Premier will also be taken.

Financial Particulars.

- | | |
|---|-----------------|
| (a) Budget provision under the major head of account "40.Agriculture" | |
| Voted. | Rs. 1,16,62,800 |
| Charged | 23,700 |
| Total. | Rs. 1,16,86,500 |
| (b) Actual expenditure to the end of August 1947 under the major head of account. | Rs. 39.48,509 |
| (c) Estimate of extra expenditure on the present scheme in the current year. | |
| Non-Recurring. | |
| Recurring. | |
| (d) Savings in the budget Provision for another | |

GOVERNMENT OF MADRAS

ABSTRACT

AGRICULTURE - Grow More Food - Five Year Plan - Scheme No. 2 (Part)-
Land Development by mechanical cultivation - Purchase of 100 oil
engines - Sanctioned.

-V-V-V-V-V-V-V-V-V-V-V-V-V-V-V-V-V-V-V-V-V-V-V-V-V-V-V-

DEVELOPMENT DEPARTMENT

G.O.Ms.No. 1599

Dated the 31st March 1948.

• Read the following:-

G.O.No. 2535, Development Dated 9th June 1947.

From the Director of Agriculture No.S.1.1207/46 D/10-7-1947.

From the Director of Agriculture No.S.3.6071/47 D/17-8-1947.

From the Director of Agriculture No.S.1.1207/46 D/16-11-1947.

O R D E R:

His Excellency the Governor sanctions, the purchase by the Director of Agriculture of 100 oil engine pumping sets as shown below with necessary tools, spares and accessories, for supply on hire or sale to the agriculturists in aid of the Grow More Food Campaign at a cost not exceeding Rs. 4,73,000 (Rupees four lakhs seventy three thousand only).

- (i) one batch of 50 oil engine sets as specified in the Annexure at a cost of Rs. 2,33,000/-; and
- (ii) another batch of 50 oil engine sets at a cost of Rs. 2,40,000 (The specifications for these 50 No. should be submitted to Government for approval in due course.)

The above cost will be exclusive of incidental charges.

The expenditure will be debited to "40-Agriculture F. Agricultural Engineering - 4. Other charges - Pumpsets and Oil engines Voted."

2. The Director of Agriculture is requested to purchase the oil engine pumping sets after calling for tenders. Only Crude oil or Diesel oil engines should be purchased. They should be distributed equitable to all districts preference being given to districts where there is great demand for well irrigation due to the failure of the Monsoon. Wherever the ryots prefer to purchase the sets they should be sold at cost price plus incidental charges and without leads to Government. The Government do not approve the proposal of the Director of Agriculture that the oil engine pumpsets may be sold to the ryots at actual costs less the hire charges upto date at the time of selling. Until further orders however no sets should be sold outright as they should be given for use on hire to a maximum number of users in connection with the drive for the production of short term crops.

3. Sanction is also accorded to the employment of a maximum of 100 pumpset drivers at one for each pumset on Rs. 30-2-40 p.m. plus D.A. at Rs. 19/- p.m. each for aperiod of one year from the date of employment. The drivers should be employed only in the case of oil engine sets which are hired to ryots.

They should be employed only after the sets are purchased and are actually needed.

4. The Government of India will be addressed for a grant.

To
The Director of Agriculture.
The Accountant-General through the Finance.

Annexure.

5-7 H.P. Engines to be
coupled to 3" X 3" to
2½" X 2½" Centrifugal
Pumps and mounted on wheeled trolleys complete with tools
and accessories - 30-nos. @ Rs. 4300 each- Rs. 1,29,000

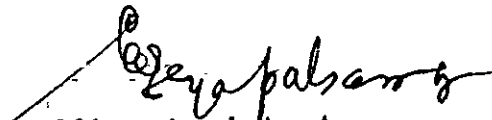
10-14 H.P. engine to be coupled to 4" X 4" to 3"
pumps mounted on wheeled trolleys complete with
tools and accessories 20 nos. each @ Rs. 5200. Rs. 1,04,000

Total. Rs. 2,33,000

N.M.M.

Sd/-x x x x x x
20-3-48.

C.V.N.
20-3-48.


Office Assistant

Madras Record Office.

Financial Particulars.

- (d) Savings in the budget
Provision for other
items included in the
major head.

Not possible to meet the
expenditure from the
existing provision in
the budget for 1947-1948.
Application for additional
funds will be made in
due course.

/True Copy/

Sd/-x x x x x x x
1.9.1949.

Development Department.

LETTER MS. NO. 1600 Dated 31-3-1948.

To

The Secretary to the Government of India;
Ministry of Agriculture, New Delhi
(with enclosure).

Sir,

Sub: Agriculture Grow More Food - Five Year Plan -
Scheme No.2(Part)-Land Development by Mechanical
cultivation - Purchase of 100 oil engines.

Ref: Mr.Menon's letter No.F.9-13/47
Grow More Food dated 15-10-1947.

I am directed to enclose a copy of this Government's proceedings No. 1599 dated the 31-3-1948 sanctioning the purchase of 100 oil engine pumping sets with necessary tools, spares and accessories, for sale or hire to the agriculturists, in connection with the Five Year Plan for Food Production. Under scheme No.2. of this Plan, 300 oil engines will be purchased in the course of the first three years. The purchase of 100 engines during 1947-1948 has now been sanctioned at a capital cost not exceeding Rs. 4,73,000. The recurring expenditure in connection with the working of the engines in '48-49 will be as shown below:

(i) <u>Establishment Charges:</u>	Rs. 75,800
(ii) Depreciation (20%) and interest (5%) on capital outlay.	Rs. 1,18,250
(iii) Subsidy (Details given in appendix-I)	Rs. 49,025
Total.	Rs. 2,43,075

50% share from the Government of
India during 1948-1949. Rs. 1,21,538

2. In their letter No.F9-13/47 Grow More Food dated 15-10-1947 the Government of India have enquired why the scheme should not be treated as self financing and why the recoveries from beneficiaries are being postponed. They have also stated that they are prepared to share in any subsidy given to reduce the burden on the beneficiaries. There is already much complaint in the Province that even the existing normal rates of hire charges indicated in Appendix II are too high for the ryots of average means and several representations were received in this regard. As a result of these representations the Government have sanctioned concessional rates of hire charges till the end of the September 1948. The concessional rates are shown in Appendix-II.

The Provincial Government do not therefore propose to make the scheme self-financing as this will not be in the interest of the Grow More Food campaign. The present concessional rates are intended to reduce the burden on the beneficiaries and have been taken into account in working out the above estimate for financial assistance, from the Central Government. In the circumstances I am to request that the Government of India may be good enough to make a contribution of Rs. 1,21,538 towards this scheme and to permit the debit of the amount to the 'block grant' for Grow More Food Schemes.

3. I am to say that for the expenditure during 1947-1948 a grant will be claimed from the Government of India later as soon as the net cost of the scheme for the year is known.

The favour of early orders are requested. p.t.o.

The favour of early orders are requested.

Sd/- Y.O.S.
25.3.48.

Copy to Director of Agriculture.

Appendix-I

Expenditure.

Capital cost	Rs. 4,73,000
Depreciation and interests	Rs. 1,18,250
Establishment, Transport-etc.	Rs. 75,800
Rs	Rs. 1,94,050

Receipts.

50% Depreciation and interest	Rs. 59,125
50% establishment charges	Rs. 37,900
Hire charges at Rs.1/- per 100 units till 30-9-1948 and Rs. 3/- for 100 units from 1-10-1948 (included for 240 working days in a year.)	Rs. 48,000
Total (B)	Rs. 1,45,025
Subsidy for 1948-1949 -- (A) -(B)	Rs. 49,025

Appendix II

Normal rates:

Rs. 3/- per day on Rs. 75 p.m. or
Rs. 200 per 3 months.

Concessional Rates.

Development Department

LETTER NO. 65987-AIII/47-D/5-11-1948.1

The Secretary to the Government of India,
Ministry of Agriculture, New Delhi.

Sub:- Agriculture Grow More Food Five Year Plan-
Scheme No.2(Part)-Land Development by
mechanical cultivation-purchase of 100 oil
engines.

Ref: This Department's letter Ms.No. 1600 dated 31-3-48

In continuation of para 8 of this Departments' letter cited I am directed to state that as no expenditure was incurred on the scheme during 1947-1948, no grant will be claimed from the Government of India for that year. I am to request you, to expedite your reply to this Departments' letters Ms.No. 1600 dated 31-3-1948.

Sd/-x xxxx
22.4.48.

Copy to Joint Director of Agriculture.

No.F.1-9/48MY.
Government of India,
Ministry of Agriculture,
New Delhi, the 31st May, 1948.

From

Vasx Dev Esquire, B.A.,
Assistant Secretary, Ministry of Agriculture,
Government of India.

To

The Deputy Secretary to the Government of Madras,
Development Department,
Madras.

Subject: Agriculture-Grow More Food-five year plan scheme No: 2
(Part) - Land Development by Mechanical Cultivation -
Purchase of 100 oil engines.

Sir,

With reference to your letter NO: Ms. 1600 dated 31st March, 1948 on the subject mentioned above, I am directed to say that the expenditure to be shared by the Government of India and the Provincial Government should be the net recurring expenditure on the scheme, i.e. total recurring expenditure minus the total receipts (item XXX a Minus item B in the Appendix to the letter referred to above) which works out to Rs. 49,025/-. But the Provincial Government have shown this amount as Rs. 2,43,025/-. But the Provincial Government have shown this amount as Rs. 2,43,075/- vide para 1 of the letter under-reference Government are, therefore, requested to clarify the position.

letter No. -63586, AIV/48-2 Dated the 24th September 1948.

To

The Secretary to the Government of India
Ministry of Agriculture,
New Delhi.

Sir,

Sub: Agriculture - Grow More Food - Five Year Plan-
Scheme No.2 (Part) - Land Development by
mechanical cultivation-Purchase of 100
oil engines-Grant from India-Particulars.

Ref: (1) Letter from Mr. Vas Dev N.F. 1-9/48 My
dated the 31st May 1948.
(2) Letter from Mr.S.T.Raja No.F.1-9/48-
My dated 31-8-1948.

. ~~With~~ With reference to the letter first cited, I am directed to invite a reference to item 9 of Scheme No.2 in Section III of the Appendix to G.O.Ms.No. 2535 Development dated 9-6-1947 (Copies to the Department of Agriculture) The basis on which financial assistance from the Government of India is proposed to be claimed is indicated therein in . The Scheme for the purchase of 100 oil engines is therefore eligible for ~~as~~ a half grant in respect of recurring expenditure consisting of

- (i) establishment charges
- (ii) depreciation at 20% and interest at 5% on capital outlay; and
- (iii) subsidy.

The details of these three items were given in paragraph 1 of this Department's letter Ms.No.1600 Development dated 31-3-1948 and their total is Rs. 2,43,075/- A sum of Rs. ~~21~~ 1,21,538/- representing half of this amount was claimed from the Government of India.

2. The basis of the calculation worked out in this Department's letter follows the formula adopted for the scheme in the Five Year Plan referred to in para 1 above. The principle in the same but the deduction of net cost for claiming grant from the Government of India is fallacious as 50% of depreciation and interest and 50% of establishment charges are taken as receipts in arriving at net cost. The total of the both are charges to be added to expenditure and the receipts are only the hire charges recovered. I am to furnish below a revised calculation indicating the correct share of the Central Government:-

<u>Expenditure</u>	<u>Amount in</u>
Establishment charges.	75,800.
Depreciation and Interest 20 and 5% respectively of capital	
<u>Receipts.</u>	
Hire. charges recovered	
<u>Net cost.</u> (A)-(B)	
50% share of Government of India to be paid as subsidy to	

Expenditure

Amount in

Net cost (A) - (B)

50% share of Government
of India to be paid as
subsidy to
Government

73,025

3. I am therefore to request that the sanction of the Government of India for the half grant of Rs. 73,025 and their permission to debit this amount to the block grant for Grow More Food schemes may kindly be obtained and communicated to this Government at an early date.

Sd/-x x x x
20.9.48.

No.F.8-49/48-GMF
Government of India,
Ministry of Agriculture,
New Delhi, the 15th May 1949.

From

S.T.Raja, Esquire, B.A., LL.B., Bar-at-Law,
Under Secretary, Ministry of Agriculture,
Government of India.

To

The Secretary to the Government of Madras,
Development Department,
MADRAS.

Sub:- AGRICULTURE-GROW MORE FOOD FIVE YEAR PLAN
SCHEME FOR THE PURCHASE OF 100 OIL ENGINES
UNDER SCHEME NO: 2.

Sir,

I am directed to refer to your letter No. 63586-AIV/48
6 dated the 24th September 1948 and subsequent reminder No: 63586-AIV/
/48-7 dated the 12th April, 1949, on the subject mentioned above and
to say that the scheme for the purchase of 100 oil engines forms a
part of scheme No. 2 Land Development by Mechanical Cultivation and
as such it has been sanctioned vide this Ministry letter No.F.8-115/
115/48-GMF dated the 31st March 1949.

As has already been sanctioned it is presumed that
the Provincial Government will adjust grant in respect of the
scheme to the extent of Rs. 73,025/- as claimed in the letter under
reference. This may please be confirmed.

Yours faithfully,

S.T. Raja.
Under Secretary

Development Department

LETTER NO. 63586-AIV/48-10 dated 14-7-1949.

To

The Secretary to the Government of India,
Ministry of Agriculture,
New Delhi.

Sir,

Sub: Agriculture - Grow More Food Five Year Plan Scheme for the
purchase of 100 oil engines under scheme No.2.

Ref: Mr. S.T. Rajas Letter No.F.8-49/48 GMR dt/5-5-1949.

I am directed to state that the presumption of the
Government of India in para 2 of their letter cited is correct.

Sd/- x x x xx
14.7.49.

/True Copy/

SP/25.9.

Office Assistant
Madras Record Office.